Business Case:

Relocating Bureau of Land Management Headquarters Positions to the Western United States

DRAFT May 21, 2019







Contents	
INTRODUCTION	4
WHY MOVE BLM HEADQUARTERS ELEMENTS WEST	5
PROPOSED STRATEGY	14
for RELOCATING BLM HEADQUARTERS EMPLOYEES	14
NEXT STEPS	17
CONCLUSION	20

TABLES and FIGURES

TABLES

- Table 1. Selected BLM statistics comparing activities in the West.
- Table 2. BLM employee travel data for FY 2019.
- Table 3. Summary of BLM employees moving to the West.
- Table 4. Relocation of BLM employees from MIB to the West.
- Table 5. Summary of BLM employees relocating to BLM state offices.
- Table 6. Summary of BLM employees remaining in Washington, DC.
- Table 7. Purchasing power of GS-12 salaries for select metro areas.
- Table 8. Population and cost of living of select cities.
- Table 9. Population demographics for select cities.
- Table 10. Approximate lease rates for select locations
- Table 11. Potential lease cost reduction at Grand Junction, Colorado
- Table 12. Potential operating cost reduction resulting from reduced locality pay adjustment
- Table 13. Table 11. Airport attributes in select cities
- Table 14. Travel estimate for move to a Western city
- Table 15. Comparison of cost and time differences of hypothetical travel
- Table 16. Proposed relocation strategies for development of BLM headquarters west
- Table 17. Payback period for recovering relocation costs can be reached in 5 years
- Table 18. Summary evaluation.

FIGURES

- Figure 1. Distribution of DOI lands and activities across the United States.
- Figure 2. Distribution of BLM managed surface lands across the United States.
- Figure 3. Distribution of BLM employee locations across the United States.
- Figure 4. Most frequent BLM origination cities for travel to Washington, DC.
- Figure 5. Most frequent BLM destination cities for travel from Washington, DC.

INTRODUCTION

President Donald J. Trump's Executive Order 13781, Comprehensive Plan for Reorganizing the Executive Branch, challenged all Departments and Agencies to propose organizational change to better meet the needs of the American people. Reorganizing the Executive Branch is intended to increase the efficiency, effectiveness, and accountability of how government serves its people while reducing inefficiency, risk, and duplication.

The Department of the Interior (DOI) embraced this challenge and embarked on a three-pronged transformation to improve service to the public by aligning resources to promote better citizen service through enhanced internal coordination and shared efficiencies across the agency.

The first prong was to establish 12 Unified Regions shared by all DOI bureaus except for the Bureau of Indian Affairs, the Office of the Special Trustee for American Indians, and the Bureau of Indian Education. Rooted in science and focused on watersheds and ecosystems, the shared geographic regions simplify the organization of DOI. Establishment of 12 Unified Regions to replace the previous 49 distinct regions among the DOI bureaus adds clarity and simplicity to the Department's activities. This new regional structure took effect in August 2018. A variety of follow-on initiatives are under way to realize the full potential of this prong, including technology and financial system modifications, and designation of senior executives with interbureau responsibilities within the unified regions.

The second prong, well underway in the second quarter of FY 2019, is to achieve enterprise and regional efficiencies and improvements in common administrative services such as information technology, acquisition, and human resource management. These will improve service delivery for internal and external customers, and allow the associated savings to be re-purposed for investments in the citizen-facing activities of our bureaus.

The third prong, and the subject of this business case, focuses on moving elements of headquarters components of selected bureaus to locations in the Western United States, closer to where the preponderance of mission activity occurs.

Specifically, this business case describes the qualitative and quantitative bases for moving elements of the Bureau of Land Management (BLM) headquarters operations to the West, closer to where almost all of its customers and operations are located. Due to an expiring office lease in Washington DC, the vast majority of BLM headquarters staff will need to move in 2020; the question is where they go.

The objectives of this effort are to facilitate management of the BLM's diverse resources, and further improve customer service by moving key headquarters decision makers and their decision support staff closer to those citizens and BLM employees most directly affected by their decisions.

WHY MOVE BLM HEADQUARTERS ELEMENTS WEST

The mission of the Bureau of Land Management is to sustain the health, diversity, and productivity of public lands for the use and enjoyment of present and future generations. BLM administers more land than any other federal agency, managing a variety of programs consistent with its multiple use and sustained yield mission on approximately 245.7 million surface acres and approximately 800 million subsurface acres of mineral estate.

The public lands managed by BLM are nearly all in the Western United States (Figure 1), comprising approximately 16 percent of the total land surface of the nation and nearly 40 percent of all land managed by the Federal Government. As the nation's largest landowner, BLM is responsible for functions that include performing cadastral surveys on all Federal and Indian lands and carrying out mineral operations on 60.4 million acres of Indian trust lands. In addition, BLM protects and preserves the public lands and Native American cultural sites, trains DOI firefighters, and protects the west from wildfire.

While the vast surface lands and diverse resources BLM manages are almost entirely located in the Western United States, the bureau's executive leadership is currently located in Washington, DC – violating the well-established management axiom that communications, coordination, knowledge, and the quality and timeliness of decision-making are enhanced by the physical proximity of those who have equities in the decision.

Locating senior executive management near these resources is the best approach to meet the public's needs. For sound and practical management, no substitute exists for decision-making by those who are intimately familiar with the site-specific facts and circumstances of the resources being managed in a way that can best be achieved by physical proximity to those resources.

At the present time, however, the most sensitive or far-reaching decision-making for BLM is largely concentrated in the Washington, DC, area, requiring costly and time-consuming executive travel to and from the West. Similarly, for stakeholders in the West who wish to address a particular issue, the remoteness of executive management from people and affected resources at best slows the processes for decision-making and problem resolution, or at worst disenfranchises those unable to afford transcontinental travel. Current decision-making processes are cumbersome, costly, inefficient, and prone to be based on incomplete information.

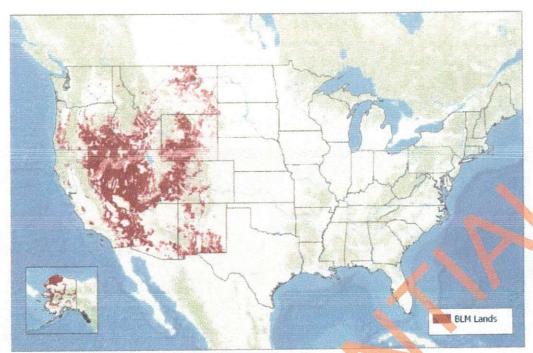


FIGURE 1. Distribution of BLM managed surface lands across the United States (shaded areas). BLM surface lands are located entirely in the Western portion of the U.S.

BLM Employees are Mostly in the West

Because BLM surface lands and responsibilities are located almost entirely in the West, 91% of BLM field offices and 95% of BLM employees are also located and work in the Western U.S. (Figure 2). Approximately 649 BLM employees are currently associated with the Washington, DC, office, including some who are aligned with the Washington office but work remotely.

Larger circles on the map indicate greater numbers of BLM employees (e.g. Anchorage, Boise, and Denver). Since BLM does have responsibilities with respect to subsurface resources underlying the land of other federal agencies in the East, BLM has a relatively small Eastern States Office, based in the Washington, DC, metropolitan area. That function and those approximately 140 employees are not part of the current analysis because they are not part of the BLM headquarters.

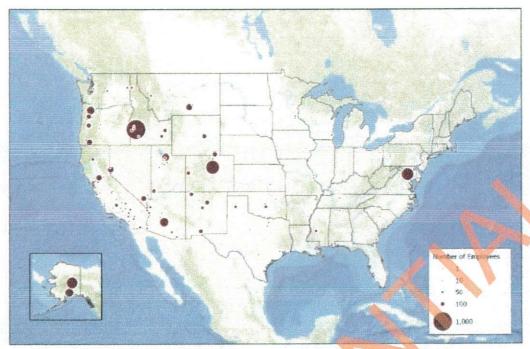


FIGURE 2. Distribution of BLM employees across the United States. The vast majority of the BLM employees are concentrated in the Western portion of the U.S.

BLM Mission Activities Occur in the West

With the vast majority of its land, employees, constituents and mission activities primarily in the West, relocating BLM headquarters staff will achieve benefits for both the agency and the employees.

The agency will experience

- · Enhanced management, oversight, and communications
- Improved customer service and partner/stakeholder engagement
- Reduced travel time and cost
- Reduced costs for office space
- Reduced payroll costs

Employees will benefit from:

- Enhanced salary purchasing power
- Improved quality of life.

TABLE 1. Selected BLM mission statistics in the East and West.

	Western States		Eastern State	25
	Number	% of Total	Number	% of Total
BLM leadership trips from DC/VA to Other States (FY18)	270	96%	10	4%
Applications for Permit to Drill (APDs) processed (FY18) ¹	4,513	99.7%	14	0.3%
Oil and gas lease acreage in effect (FY18) ²	24.1M	95%	1.4M	5%
National Landscape Conservation System (NLCS) acres (April 2019) ³	34M	100%	86	0%
Recreational use of BLM lands (visits, FY18)	67.8M	99.8%	0.2M	0.2%
Grazing permits and leases in force (as of December 2018)	17,782	100%	0	0%
Wild horse and burro population managed by BLM (December 2018)	81,951	100%	0	0%

Source: BLM APD report; Internal BLM oil and gas data Internal BLM recreation data; BLM wild horse and burro program data; BLM NLCS Summary Table; Internal DOI personnel and travel data.

Enhanced Management, Oversight, and Communication

Relocating BLM headquarters staff and leadership in the West will yield the following management benefits:

- Executive personnel are physically closer to the geography they manage, enabling easier
 oversight and accountability for BLM's headquarters activities and decisions, including
 more convenient field or site visits for high priority and/or controversial projects so
 managers can better understand what is being proposed on the ground.
- More frequent face-to-face communication occurs among leadership and bureau staff, partners, and stakeholders.
- Increased proximity of BLM headquarters executives and staff to other DOI bureau operations and other partners creates opportunity for more coordinated, collaborative inter-bureau efforts.

¹ APD statistics include Tribal lands. The BLM administers the permitting for all Federal and Tribal subsurface minerals in the US

² Oil and gas acreage in effect refers to total acres leased by the BLM for oil and gas production, including acres that are not currently under production. Does not include Tribal lands.

³ The 86 NLCS acres in the Eastern States are for Jupiter Inlet Lighthouse Outstanding Natural Area, which is the only unit of the National Conservation Lands managed by the BLM's Eastern States. Total NCLS acreage may change pending BLM's incorporation of the new units established by PL 116-9.

Improved Customer Service and Partner/Stakeholder Engagement



Travel to BLM headquarters is currently costly in terms of both time and money for BLM stakeholders, and prohibitively so for some. Western US residents now need to travel to the East Coast and incur costs for DC lodging and other travel expenses, costing hundreds of dollars. Closer physical proximity of BLM leadership to bureau stakeholders and constituents will broaden, simplify, and strengthen relationships with partners and stakeholders, thereby improving bureau operations and decision-making. Strong relationships with Western states, communities, and other partners

in the region are critical for effective stakeholder engagement. Relocation improves stakeholder engagement by:

- Facilitating relationship building with partners because of physical proximity.
- Providing opportunities for strengthening existing partnerships with states and universities in the West.
- Accelerating decision-making by increasing both the fluidity and quality of interactions with the public.
- Allowing problem solving to occur earlier in the decision-making process and facilitating better outcomes when a complex decision or problem arises.

Reduced Travel Time and Cost

Travel Frequency and Duration to and from Washington, DC.

For Fiscal Year (FY) 2018, BLM employees traveling between Washington, DC, and Western states incurred costs of more than \$3.2 million in cash outlays, not even including the substantial cost of labor lost to travel time (Table 2; Figure 4, Figure 5). Moving elements of HQ positions West is expected to decrease travel expenses because:

- Frequency of travel to and from Washington, DC, should decrease since executives' need to travel to and from DC will decrease.
- The average duration of travel is expected to be reduced because BLM headquarters
 personnel would be closer to places to which they need to travel.
- The most frequent origination cities for travel to DC, or destination cities for travel from DC include Denver, Phoenix, Boise, Salt Lake City, Reno, and Portland. Travel from any of the proposed relocation cities would result in reduced travel duration, volume, and cost.
- Travel time to and from BLM training centers and associated transportation costs will
 decrease for headquarters personnel, enabling more efficient training opportunities for
 employees, enhancing BLM's ability to attract and retain talented employees, and
 allowing executive leadership more frequent opportunities to interact with staff during
 training opportunities.

TABLE 2. BLM employee travel data for FY 2018

BLM Employee T	ravel FY2018				
	Number of Total Trip Cost (\$) trips				
From DC to Western States	629	1,332,952			
From Western States to DC	776	1,930,752			
Grand Total	1,405	3,263,704			
Top Five Destina	tions				
From DC to Western States	Percentage of trips	From Western States to DC	Percentage of trips		
Denver	24.48%	Denver	19.59%		
Phoenix	18.28%	Boise	14.18%		
Boise	8.59%	Phoenix 9.92%			
	7.470/	Reno	6.31%		
Salt Lake City	7.47%	Kello	0.5170		

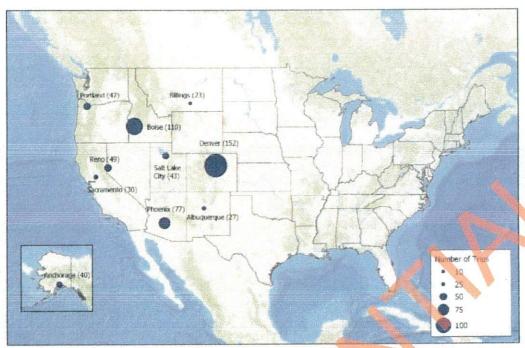


FIGURE 4. Most frequent BLM travel origination cities for travel to Washington, DC.



FIGURE 5. Most frequent BLM travel destination cities for travel from Washington, DC.

Relocation Impact on Travel

Relocation of elements of BLM headquarters to the West will significantly improve travel efficiency by reducing the number of long cross-country flights, and resulting in shorter trips, possibly even day trips in some areas. Shorter duration travel is more efficient, cost-effective, and could increase productivity with increased time spent on work activities rather than travel. Shorter trips and less frequent overnight travel also improves employees' quality of life, and over the long term could boost morale and play a role in recruitment and retention of employees with responsibilities at home.

Proximity to Training Centers

BLM's training center is located in Phoenix, Arizona, while the interagency fire center is in Boise, Idaho. Both are important training resources for BLM staff. These centers also provide space for meetings and conferences that many BLM staff already attend. The location of the training centers allows easy access by BLM and other DOI staff located in Western cities. Shorter direct flights, or drives, could replace long, cross-country trips. Relocation would also enable BLM leadership to more easily attend trainings and meetings and provide leadership perspectives for attendees. By locating headquarters staff closer to the training centers, opportunities for career development are also enhanced because the cost of training is reduced.

- BLM's National Training Center and Conference Center (NTC) is located in Phoenix, AZ.
 - The BLM NTC features 13 meeting rooms and an auditorium that accommodates 225 people and offers 200 courses per year. Courses are attended by members of other federal agencies.
- The National Interagency Fire Center (NIFC) is located in Boise, ID
 - NIFC is the nation's support center for wildland firefighting, a key element of BLM's mission. Eight different agencies and organizations are part of NIFC.
 - The NIFC campus is operated by the BLM and offers a wide range of training opportunities for land management agency staff and partners.



Costs for Office Space

Relocating elements of BLM headquarters in the West could save space costs in several ways:

- Consolidation. By consolidating staff into existing locations, efficiencies in overall space
 requirements can be gained. By working with GSA to consolidate into existing locations,
 opportunity exists to reduce costs through improved lease rates (consolidation into a less
 expensive building or into more efficient configuration of space). Work efficiency can
 also be gained when BLM employees are co-located in proximity to each other.
- Reduced footprint. Relocation that enables more efficient use of space can result in fewer square feet per employee and reduce overall costs.

• Reduced cost per square foot. With a move to a location with lower cost of living and less expensive lease rates, cost can be reduced without decreasing the overall footprint. For all of the Western locations considered, reduced cost per square foot is anticipated. Comparison of GSA lease rates per square foot is illustrated in Table 7.

Reduced Payroll Costs

The Washington DC metropolitan area has a high cost of living, which results in higher federal locality pay for employees who live in the area. Many western communities have a lower cost of living, which may result in lower or no locality pay, and therefore lower payroll costs for the agency, depending on the locality in which BLM headquarters elements might be located.

BLM headquarters employees will also benefit from relocating to the West.

Enhanced Salary Purchasing Power

Western cities offer employees a lower cost of living and increased purchasing power compared to Washington DC, making a potential relocation financially advantageous for BLM headquarters employees (Table 3).

TABLE 3. Purchasing Power of GS-12 Salary - Examples for Western Cities

Cities	Purchasing Power ⁴	GS 12-05 Salary	Regional Price Parities ⁵
Salt Lake City, UT	\$88,434	\$84,543	95.6
Pocatello, ID	\$95,099	\$84,543	88.9
Grand Junction, CO	\$89,939	\$84,543	94.0
Lakewood/Denver, CO	\$87,088	\$92,313	106.0
Washington, DC	\$79,362	\$94,520	119.1

B. Quality of Life

Large cities and metropolitan areas have greater congestion and longer commute times to and from work. The reduced commute times for other activities in smaller cities reduces employee stress and enables greater access to recreational activities and improved quality of life.

For BLM employees, whose professional focus is tied to public lands Western cities, being closer to the lands they oversee, may be appealing. Smaller Western cities are even more

⁴ Purchasing power for a region is calculated using the same methodology used by the Bureau of Labor Statistics (BLS), in which a nominal wage for a region is adjusted using the regional price parity (RPP), which measures the difference in goods and services across regions at a given point of time. The most recent RPP produced by BEA is for 2016. Nominal wages used are for a GS-12, step 1, based on the FY 2018 GS Pay Tables for a given locality.

⁵ Regional Price Parities (RPPs) are price indices, produced by the Bureau of Economic Analysis (BEA) that measure geographic price level differences for one period in time within the United States. They are expressed as a percentage of the overall National price level (i.e. the National price level is 100).

accessible to public lands. Furthermore, one analysis from *Livability*⁶ finds that some small cities are rapidly attracting young people who want to "put down roots" in smaller cities.

Smaller Western cities under consideration for potential relocation have attributes that may make their locations attractive for recruiting BLM employees, including short commute times, low unemployment, growing economies, expanding university options, and easier access to airports. These attributes are assessed in more detail in the description of potential cities.

PROPOSED STRATEGY FOR RELOCATING BLM HEADQUARTERS EMPLOYEES

The BLM's reorganization efforts build on and leverage previous efforts to enable national decision-makers, whose positions do not require a physical presence in Washington, DC, to shift their geographic location to Western States. For instance, since the early 2000s, most of the Bureau of Reclamation's headquarters functions have been located in Colorado. BLM itself has had a National Operations Center (NOC) employing XX employees in Colorado.

The eventual move to BLM locations in the West will include [TO BE COMPLETED BY BLM] approximately 533 of the 661 657 BLM employees now part of the BLM headquarters operation, through relocations and realignments (and filling vacancies in the West).

To initiate the Western move, in Fiscal Year (FY) 2019, the BLM budget includes \$5,900,000 to fund the shift of some headquarter resources out West. The available funds will cover cost estimates for the relocation of functions at approximately \$200,000 per employee to include leasing, tenant improvements, telephone and data connections, and furniture and files moves Permanent Change of Station (PCS) costs may vary substantially. BLM estimates \$200,000 for each of XX members of the Senior Executive Service moved. General Schedule employees in the first tranche to move will be asked to volunteer to head West, and those who do volunteer will likely be given a payment of \$YY,000 to facilitate a move. There are also a number of current vacancies in the headquarters of BLM, which could simply be advertised and filled at a Western location. Depending on the grade level of the position and the location of the successful applicant, such positions might incur no PCS costs.

BLM believes that given these variables 30-40 positions could be relocated to the West in FY 2019.

The BLM's long-term plan is to move the Director, the Deputy Director-Operations, and the Assistant Directors for Resources and Planning; Energy, Minerals and Realty Management; and National Conservation Lands and Community Partnerships, with their associated support staff, to Western States. In addition, the Information Technology, and Human Resources Operations, components currently under the Washington Office Organization would report to the National Operations Center in Denver, CO, and similarly the Office of Law Enforcement component,

⁶ https://livability.com/topics/where-to-live-now/millennial-migration-5-small-cities-attracting-big-waves-of-young-people

currently a part of the Washington Office Organization, would reposition to Salt Lake City, UT, and other BLM Western States.

The first step in the process requires BLM to work with the General Services Administration (GSA) to secure space for over 265 employees over the course of implementing reorganization. Currently, 78 of these employees are already working in the West, and 47 positions are currently vacant and can be advertised for Western locations. The BLM believes the initial set of employees to be moved to Western locations could include the Director, Deputy Director-Operations, and other HQ elements that may be filled by volunteers and vacant positions. The chart below provides a breakdown of the proposed Realignment of the BLM employees in the Washington Office to BLM Western States..

TABLE 3. Summary of BLM positions moving to the West over FY19-XX.

	Employees moving West HQ Centralized WITH Director/DD-Ops/AD						
	MIB - Positions Currently Filled	M STREET - Positions Currently	Positions Currently Filled in another location & will require a move to HQ West	Positions currently vacant	Total to move West		
WO 100 - Director's Office	8				8		
WO 120 - Law Enforcement	1				0		
WO 200 - Resources and Planning	2	48		18	68		
WO300 - Energy, Minerals & Realty	2	17		15	34		
WO 400 - National Conservation Lands	4	25	6	11	44		
WO 600 - Communications	2	5		1	8		
WO 700 - Human Capital		23	72	1	96		
WO 800 - Budget, Evaluation & Business Res	BORN VA	8		1	9		
Totals	17	126	78	47	267		

The Washington, DC. Main Interior Building (MIB) currently provides offices for approximately 43 BLM employees. The reorganization proposal calls for 25 of these positions to relocate from the MIB to the BLM Headquarters West, to include the Director, and Deputy Director-Operations. (Table 4).

TABLE 4. Relocation of BLM positions from MIB to the West over FY19-XX.

	MIB - Positions Currently Filled & will require a move from DC	MIB - Positions currently vacant	MIB Positions Staying in MIB after move from DC	Total MIB positions
WO 100 - Director's Office	8		9	17
WO 120 - Law Enforcement	2		1	3
WO 200 - Resources and Planning	2	1	1	4
WO300 - Energy, Minerals & Realty	2	3	0	5
WO 400 - National Conservation Lands	2	1		3
WO 600 - Communications	2		2	4
WO 700 - Human Capital		1	3	4
WO 800 - Budget, Evaluation & Business Res		3 1 T	2	3
Totals	18	7	18	43

In addition to identifying more than 267 positions to move West, Table 5 provides a breakdown of the proposed 134 BLM employees to be moved from the Washington Office to BLM State Office locations.. The chart includes the 43 employees from Information Technology and Human Resource operations that starting in FY 2020 will report to the BLM National Operations Center (NOC) in Denver, CO, as well as the 83 employees from Law Enforcement and 15 employees from the Wild Horse and Burro Program who will report to various BLM State Offices. Specifically, the Wild Horse and Burro Program will have 15 employees who report to the State Offices in Nevada, and Wyoming. Currently, all but three Office of Law Enforcement Employees are currently located in BLM State Offices out West.

Table 5. Summary of BLM employees relocating to BLM state offices.

	Employees to	Employees to be Disbursed to BLM Western Location					
	Position currently filled & will require a move from DC	Positions currently vacant & can be filled Western BLM location	Positions Aiready Remote; not moving to HQ West	Total Remote &/or Western Location	Total Realignment proposed - Specific t WHB, IT, HR ops, OLES		
WO 100 - Director's Office							
WO 120 - Law Enforcement	1	25	10	36	83		
WO 200 Resources and Planning		3	15	18	15		
WO300 Energy, Minerals & Realty	24	12	10	46			
WO 400 National Conservation Lands	2	5	1	8	0		
WO 600 - Communications		12	5	17			
WO 700 - Human Capital			3	3	9		
WO 800 - Budget, Evaluation & Business Res			6	6	34		
Totals	27	57	50	134	141		

The current BLM Information Technology (IT) organizational structure is based on an organizational split between Operations (at the National Operations Center) and Governance (at the Washington Office), which defines the rules, policies, and processes an organization needs to follow, and makes sure they are implemented consistently. The IT reporting structure change of

34 positions and functions from Washington, DC, to the NOC supports the Federal Information Technology Acquisition Reform Act (FITARA) and the Department of the Interior's emphasis on reducing administrative redundancy; implementing shared enterprise services; regionalization efficiencies; modernizing technology and reducing organizational barriers. We anticipate PCS costs for 2-3 employees relocating to the NOC. Some affected employees will remain located in Washington, DC, or other BLM offices, thereby minimizing PCS costs in FY 2019. The BLM could incur PCS costs ranging from \$100,000 to \$200,000 for any current federal employee who accepts an advertised position in BLM HQ West (IT, HR, or otherwise), as permanent change of duty station costs are typically offered, unless a position is filled by local residents or relocation costs are not provided, which would be specified in job advertisements.

Similarly, consistent with the Department's commitment for shared services. BLM is moving the Human Resources (HR) Operations functions from the Washington, DC, office to report to the National Operations Center (NOC) in Denver, combining with the NOC Human Resources Services as a shared services team under a single manager. Services within the shared services team will include staffing, recruitment, retention, training, awards, promotions, within-grade increases, realignments, reassignments, timekeeping, pay calculations, classification, benefits, and retirement. Nine positions will change reporting from the Washington, DC, office to the NOC. There are minimal permanent change of duty station (PCS) costs, as some affected employees will remain located in Washington, DC, at their current duty locations. The realignment will enhance coordination across the serviced entities and create an improved environment for customer service.

NEXT STEPS

The current plan will leave 128 positions in Washington, DC, in MIB after the move West. Table 6 depicts the positions remaining in Washington DC by BLM organization.

Positions remaining in Washington, DC, are the Deputy Director-Policy, and those in Budget, Audits and Evaluations, and Legislative Affairs, with a small number of associated staff for the Deputy Director-Policy, Communications, Human Resources, and Mission Resource and Support areas.

TABLE 6. BLM employees remaining in MIB in Washington, DC.

	Staff Remaining in DC - HQ East		
	Already in MIB	Located at	
WO 100 - Director's Office	9		
WO 120 - Law Enforcement	1		
WO 200 - Resources and Planning	1		
WO300 - Energy, Minerals & Realty	0	6	
WO 400 - National Conservation Lands			
WO 600 - Communications	2	33	
WO 700 - Human Capital	3	14	
WO 800 - Budget, Evaluation & Business Res	2	57	
Totals	18	110	
		128	

II. Financial Analyses of Proposed Move West

What follows is a quantitative business case evaluating the economics of moving elements of BLM HQs to existing Western locations.

Cost of living analysis for 10 cities/10 State office locations

B. Salary - Locality Pay Cost Reduction

Moving elements of BLM HQ to the West would also result in salary cost reduction due to reduced locality pay adjustment, in comparison to Washington, DC (Table 12). For purposes of this analysis, we assume the average grade and step in the General Schedule of a BLM headquarters employee moving West is a GS 12 Step 5.

Table 12. Potential operational cost reduction resulting from reduced locality pay adjustment – Example Western Locations

LOCATION	GS 12-05 SALARY	LOCALITY PAY SAVINGS
Washington, DC	\$94,520	
Lakewood/Denver, CO	\$92,313	2.4%
Grand Junction, CO	\$84,543	11.8%
Pocatello, ID	\$84,543	11.8%
Salt Lake City, UT	\$84,543	11.8%

D. Overall Cost Comparison

The BLM must relocate from its M Street, Washington, DC, location by December 2020. As described in Section IV, a portion of the DC-area "Washington Office (WO)" BLM employees could relocate West (as shown in Table 16). The relocation strategy would emphasize moving volunteers and vacant positions.

Table 16. Proposed relocation strategy for relocation of elements of BLM Headquarters to Western locations.

	FY 2019	FY 2020	FY 2021	Total
Employees	23	80	40	143
Vacancies	22	25	0	47

Realignment of remote workers			78	
	-	TOTAL	268	

CONCLUSION

The bulk of BLM's land, employees, and mission activities are in the West. Relocation of BLM headquarters staff, as described in this paper, to Western locations therefore makes sense based on a variety of qualitative and quantitative analyses. Such a move will result in efficiencies and improved effectiveness and productivity. The relocations are expected to improve management and oversight of agency activities, improve communication between bureau staff and leadership, and improve engagement with the public and stakeholders in the local geographic areas where BLM has the greatest management responsibility. Opportunities for office co-locations are greater in the West because that is where the BLM workforce is primarily located.

In reviewing the overall data, it seems clear that, as a whole, numerous benefits exist for relocation of BLM staff to Western locations.

State	BLM State Office Location	GS 12-5 Salary	Purchasing Power of a GS 12-5 Salary*	Salary savings for GS 12-5 compared to Washington DC	Net present value of salary savings for an individual GS 12- 5**
Arizona	Phoenix	\$87,416	\$89,474	\$7,104	\$108,682
California	Sacramento	\$91,794	\$89,994	\$2,726	\$41,704
Colorado	Lakewood	\$92,313	\$86,842	\$2,207	\$33,764
Idaho	Boise	\$83,159	\$88,279	\$11,361	\$173,808
Oregon	Portland	\$89,996	\$88,492	\$4,524	\$69,211
Montana	Billings	\$83,159	\$85,467	\$11,361	\$173,808
New Mexico	Santa Fe	\$84,931	\$86,050	\$9,589	\$146,699
Nevada	Reno	\$83,159	\$84,169	\$11,361	\$173,808
Utah	Salt Lake City	\$83,159	\$83,914	\$11,361	\$173,808
Wyoming	Cheyenne	\$83,159	\$85,908	\$11,361	\$173,808

*Purchasing power for a location is calculated using the same methodology used by the Bureau of Labor Statistics (BLS), in which a nominal wage for a region is adjusted using the regional price parity (RPP), which measures the difference in goods and services across regions at a given point of time. The most recent RPP produced by the Bureau of Economic Analysis (BEA) is for 2017. Nominal wages used are for a GS 12-5 based on the FY 2019 GS Pay Tables for a given locality.						
**Net present value						
calculated over 20	-	4				
years using a 2.7%						
discount rate. PCS						
costs not included	90 P			_		